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June 1, 2009

VIA E-FILING

Charles L. A. Terreni, Esquire
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: Application of ATN, Inc. for a Certificate of Public Convenience and Necessity
to Provide Intrastate Telecommunications Services and for Alternative Regulation
Within the State of South Carolina
Docket No. 2009-163-C

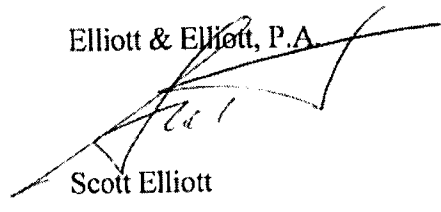
Dear Mr. Terreni:

Enclosed please find the Direct Testimony of Gordon R. Reilly for filing in the above-captioned docket. By copy of this letter I am serving all parties of record.

If you have questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.


Scott Elliott

JK P. Duke
OK A. Delle

SE/jcl

Enclosures

cc: C. Lessie Hammonds, Esq.

State of South Carolina
Before the
South Carolina Public Service Commission

RE: Application of ATN, Inc.)	
For a Certificate of Public)	
Convenience and Necessity to)	
Provide Intrastate Telecommunications)	Docket No. 2009-163-C
Services and for Alternative Regulation)	
Within the State of South Carolina)	
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Direct Testimony

of

Gordon R. Reilly

On Behalf of

ATN, Inc.

June 1, 2009

1 **Q. Will you please state your name and business address.**

2 A. My name is Gordon R. Reilly. My business address is 913 Dilworth Street St. Marys,
3 Georgia 31558.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by ATN, Inc. ("ATN") as its Chief Executive Officer.

6 **Q. Please give a brief description of your background and experience.**

7 A. I was graduated from the University of Washington with a B.S. in Mechanical Engineering
8 in 1969. I was awarded a Masters in Mechanical Engineering by the University of Washington in
9 1970. I have been a registered Professional Engineer since 1974. After employment with a
10 number of industrial firms as an engineer and manager, I joined ATN in 1993 where my
11 engineering training has served me well. Having risen to the position of Chief Executive Officer,
12 I am now responsible for the overall management of ATN.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to present evidence on the financial, technical and
15 managerial abilities of ATN to provide automated collect calling, prepaid calling and debit calling
16 services to inmates of confinement institutions throughout the State of South Carolina, and to describe
17 the service ATN proposes to offer.

18 **Q. Please explain the Company's corporate structure.**

19 A. ATN is a Georgia Corporation, which was formed on December 7, 1992. The company is
20 headquartered at 913 Dilworth Street, St. Marys, Georgia 31558. A copy of ATN's articles of
21 incorporation is found as Exhibit A to the application.

22 **Q. Has ATN registered to do business in South Carolina?**

1 A. Yes. ATN is registered in South Carolina as a foreign corporation. Our authority to conduct
2 business in South Carolina is attached to the application as Exhibit B.

3 **Q. Has ATN been granted authority to provide telecommunications services in South**
4 **Carolina?**

5 A. Yes. ATN was granted a certificate of public convenience and necessity to provide pay
6 telephone services in South Carolina by Order 1993-188 in Docket No. 1985-150-C. By Order
7 1999-273 dated April 14, 1999 the South Carolina Public Service Commission granted
8 Applicant's name change to ATN, Inc. by which it has operated since.

9 **Q. Please describe the authority that ATN seeks by its application.**

10 A. ATN seeks authority to resell interLATA, intraLATA and local "O+" collect calling
11 telecommunications services in South Carolina.

12 **Q. Please describe the services ATN proposes to offer.**

13 A. ATN provides automated collect (postpaid and prepaid) intrastate telecommunications services
14 as well as debit services to inmates of prisons, jails and other confinement institutions. The Company
15 installs sophisticated equipment within the facility which permits inmates to make outgoing, collect-only
16 calls without the assistance of a live operator. For collect calling services, ATN's call processing
17 system provides automated voice prompts to the calling and the called party for instructions on how to
18 place and accept the call. The called party must accept the call with an affirmative response. If such a
19 response is not received, the call is terminated automatically. ATN's system collects and stores collect
20 call detail information for each call.

21 ATN switches calls through their underlying carrier. Calls are routed over switched access
22 facilities to the nearest underlying carrier's point of presence, the underlying carrier transports the calls to its
23 switch and terminates calls over the public service telephone network.

1 **Q. Is ATN aware of the Commission's bond requirement?**

2 A. Yes. ATN is aware that the company will be required to post a \$5,000.00 bond with the
3 Commission in connection with its pre-paid services in South Carolina.

4 **Q. Does ATN own any network switches or transmission facilities used in routing calls?**

5 A. No.

6 **Q. As a reseller, who will ATN contract with for underlying carrier facilities?**

7 A. ATN's underlying carriers are AT&T and DeltaCom.

8 **Q. How will ATN bill for its services?**

9 A. Customers are charged individually for each call placed through the Company's network.
10 Charges may vary by service offering, and/or call duration. Customers are billed based on their use of
11 ATN's services and network. ATN services are billed on the called party's local exchange carrier
12 under billing and collection agreements between ATN and billing clearinghouse services
13 organizations. ATN also has several prepaid service options available.

14 **Q. Please describe ATN's customer service.**

15 A. ATN's customer service representatives are available to assist its customers and will
16 promptly respond to all customer inquiries. Customers may call (800) 849-6081. The toll free
17 number will be printed on customers' monthly billing statements. Customer service
18 representatives are available to answer service or billing inquiries 24 hours a day, seven days a
19 week. ATN does not employ the use of automated answering services. Alternately, customers
20 wishing to communicate with an ATN customer service representative in writing may send
21 written correspondence to ATN at:

22 ATN, Inc.
23 ATTN: Customer Service
24 913 Dilworth Street
25

1 St. Marys, Georgia 31558

2 **Q. Where else is ATN currently certificated?**

3 A. ATN is certified, registered, or otherwise authorized to provide automated operator assisted calling
4 services to inmates in correctional institutions in 7 states: North Carolina, Tennessee, Georgia,
5 Florida, Alabama, Louisiana and Mississippi.

6 **Q. Describe ATN financial ability to operate as a telecommunications reseller.**

7 A. ATN has prepared financial statements to show it has the financial resources to operate
8 successfully as a telecommunications reseller to consumers in South Carolina. The Company's
9 financial statements were submitted as Exhibit C of its application and incorporated herein by reference.
10 The Company's financial statements clearly demonstrate ATN's ability to support its operations and serve the
11 public in South Carolina.

12 **Q. Do you believe ATN is capable of delivering its proposed services in South Carolina?**

13 A. Yes, in addition to having sufficient financial resources, ATN has a team of experienced
14 managers. Brief resumes of key personnel are included in the Company's application as Exhibit D.

15 **Q. Where in South Carolina does ATN intend to offer its services and how will
16 those services be offered?**

17 A. ATN intends to offer its service throughout the entire State of South Carolina. ATN will offer
18 its inmate calling services pursuant to contract with state, county and municipal correctional
19 facilities. ATN will not have presubscribed customers, and does not engage in telemarketing practices
20 in any state.

21 **Q. Is ATN seeking flexible regulation of local services and alternative regulation of
22 interexchange services?**

23 A. Yes. Applicant respectfully requests that its local service offerings be regulated in
24 accordance with procedures authorized for NewSouth Communication in Order No. 98-165 in

1 Docket No. 97-467-C. Additionally, Applicant respectfully requests that its interexchange
2 service offerings be regulated in accordance with procedures established for alternative
3 regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

4 **Q. Is ATN seeking waivers of certain regulatory requirements?**

5 A. Yes. First, ATN respectfully requests that it be exempt from any record-keeping rules or
6 regulations that might require a carrier to maintain its financial records in conformance with the
7 Uniform System of Accounts ("USOA"). As a competitive carrier, ATN maintains its book of
8 accounts in accordance with Generally Accepted Accounting Principles ("GAAP"). Because,
9 ATN utilizes GAAP, the Commission will have a reliable means by which to evaluate ATN's
10 operations. Therefore, ATN hereby respectfully requests to be exempt from any USOA
11 requirements of the Commission. Having to maintain records pertaining specifically to its South
12 Carolina local service operations would place an extreme burden on ATN. ATN will make its
13 books and records available at all times to the Commission and Office of Regulatory Staff for
14 their review. Accordingly, the Applicant hereby respectfully requests a waiver of 26 S.C. Code
15 Ann. Regs. 103-610, which requires books and records to be kept in the State of South Carolina,
16 but rather, the Applicant desires to keep its books and records at its principal place of business.

17 **Q Is ATN requesting a waiver of the requirements that it publish local exchange**
18 **directories?**

19 A. Yes. Given the nature of its services, Applicant respectfully requests a waiver of the
20 requirement in Rule 103-631 to publish and distribute local exchange directories.

21 **Q. Is ATN requesting a waiver of any requirement that it maintain maps of its service?**

22 A. Yes. Applicant's local exchange calling areas will initially mirror the service areas of the
23 incumbent local exchange carriers; therefore, Applicant hereby respectfully requests a waiver of

1 the map-filing requirement pursuant to 26 S.C. Code Ann. Regs. 103-612.2.3 and 26 S.C. Code
2 Ann. Regs. 103-631 requiring publication of directories.

3 **Q. How will South Carolina consumers benefit from ATN services?**

4 A. ATN offers quality operator assisted telecommunication services originating from
5 correctional facilities for communications originating and terminating within the State of South
6 Carolina at competitive prices.

7 **Q. Does this conclude your testimony?**

8 A. Yes.

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

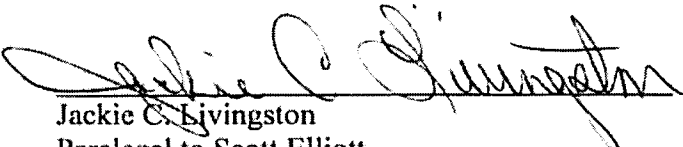
RE: Application of ATN, Inc. for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Services and for Alternative Regulation Within the State of South Carolina

DOCKET NO.:

PARTIES SERVED: C. Lessie Hammonds, Esquire
Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29211

PLEADING: DIRECT TESTIMONY OF GORDON R. REILLY

June 1, 2009


Jackie C. Livingston
Paralegal to Scott Elliott